

AIRCRAFT ENGINE LEASE AGREEMENT

CONTRACT NUMBER 29400

THIS AIRCRAFT ENGINE LEASE AGREEMENT ("Lease") is made and entered into as of May 3, 2011, by and between:

AAR PARTS TRADING, INC. ("Lessor")
and
EVERGREEN INTERNATIONAL AIRLINES, INC. ("Lessee")

- I. **AGREEMENT TO LEASE:** Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the Equipment described in ARTICLE IV herein, subject to the terms and provisions of this Lease. This Lease hereby incorporates the terms of the General Terms Engine Lease Agreement dated November 14, 2001, as amended (the "GTA") between AAR Aircraft & Engine Sales & Leasing, Inc. ("AESL") and Lessee except that any reference in the GTA to AESL or to "Lessor" will be deemed a reference to Lessor in this Lease. Capitalized terms used herein but not defined shall have the same meaning as in the GTA. In the event of any conflict in terms between the GTA and this Lease, the terms of this Lease shall prevail.
- II. **LEASE TERM:** The term of this Lease will commence on the date (the "Delivery Date") the Engine is delivered to Lessee at the Delivery Location, upon notification by Lessor that Lessee has satisfied the following conditions:
- A. [REDACTED]
- B. Lessee has paid to Lessor the Initial Payment described on Exhibit AA attached hereto; and
- C. Lessor has received Lessee's certificate of insurance for this Lease, and Lessor has advised Lessee, in writing, that said certificate is acceptable to Lessor.

The term of the Lease will expire upon expiration of any of the Engine's life-limited parts.

- III. **DELIVERY/REDELIVERY LOCATIONS:** The Engine will be delivered to Lessee EXW (Incoterms 2010) Lessor's facility in Wood Dale, Illinois (the "Delivery Location"); and upon termination of the Lease, the Engine will be redelivered to Lessor by Lessee DDP (Incoterms 2010) Lessor's facility in Wood Dale, Illinois (the "Redelivery Location").
- IV. **TYPE OF EQUIPMENT** (which has 750 or more rated takeoff horsepower):

<u>Make</u>	<u>Model</u>	<u>Configuration</u>	<u>Engine Serial No.</u>	<u>Total Time Since New</u>	<u>Total Cycles Since New</u>
General Electric	CF6-50E2	747 QEC less cowl and fan reverser	517839	28,711.4	13,912

- V. **LOANED ENGINE STAND:** Serial Number SB260
- VI. **INSPECTION PERIOD:** 72 hours after the Delivery Date.
- VII. **ADDITIONAL TERMS AND CONDITIONS:** See Exhibit AA attached hereto.

[SIGNATURE PAGE FOLLOWS]



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Contract No. 29400

IN WITNESS WHEREOF, the parties have executed this Lease on the date first above written.

AAR PARTS TRADING, INC. -

EVERGREEN INTERNATIONAL AIRLINES, INC.

By: *James N. Vincent* By: *Evelyn M. Marman*
Name: **JAMES N. VINCENT** Name: **Evelyn Marman**
Title: **VICE PRESIDENT** Title: **VP Powerplants**

COUNTERPART NO. ___ OF ___ SERIALY NUMBERED MANUALLY EXECUTED COUNTERPARTS. TO THE EXTENT IF ANY THAT THIS DOCUMENT CONSTITUTES CHATTEL PAPER UNDER THE UNIFORM COMMERCIAL CODE, NO SECURITY INTEREST IN THIS DOCUMENT MAY BE CREATED THROUGH THE TRANSFER AND POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1.

**EXHIBIT AA TO
AIRCRAFT ENGINE LEASE AGREEMENT - CONTRACT NO. 29400**

The following additional terms and conditions apply to the Aircraft Engine Lease Agreement - Contract No. 29400 for ESN 517839:

A. LEASE CHARGES:

Transaction Fee:	None
Daily Rent:	\$2,137.00 per day
Use Fee:	None
Security Deposit:	\$75,000.00
Initial Payment:	\$140,000.00 (including Security Deposit)

Lessor is holding the security deposit of \$75,000 from the Aircraft Engine Lease Agreement - Contract No. 28578. At Delivery hereunder, said security deposit shall be applied to Lessee's obligation hereunder for payment of the Initial Payment, resulting in a net payment obligation of \$65,000 for the Initial Payment.

B. AGREED VALUE: \$1,900,000.00

C. LIABILITY LIMIT: \$750,000,000.00 per occurrence

D. WIRE TRANSFER DETAILS: Notwithstanding anything to the contrary in the GTA, Lessee's payments under this Lease shall be wire transferred to the following account:

Bank Name:
Address:
Account Name:
Account Number:
ABA (Fed Wires):
Swift Code (if Intl):
Bank Official / Phone:



E. VALIDITY OF AGREEMENT: If Delivery does not occur by May 13, 2011, then either party hereto may terminate this Agreement by written notice to the other; and, in the event of such termination, Lessor shall refund to Lessee any amounts paid by Lessee to Lessor hereunder, and neither Lessor nor Lessee shall have further liability hereunder.

AAR PARTS TRADING, INC.

By:
Name: **JAMES N. VINCENT**
Title: **VICE PRESIDENT**

EVERGREEN INTERNATIONAL AIRLINES, INC.

By:
Name: **ERIC MOORMAN**
Title: **VP Powerplants**

COUNTERPART NO. ____ OF ____ SERIALY NUMBERED MANUALLY EXECUTED COUNTERPARTS. TO THE EXTENT IF ANY THAT THIS DOCUMENT CONSTITUTES CHATTEL PAPER UNDER THE UNIFORM COMMERCIAL CODE, NO SECURITY INTEREST IN THIS DOCUMENT MAY BE CREATED THROUGH THE TRANSFER AND POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1.

**EXHIBIT GTA TO
AIRCRAFT ENGINE LEASE AGREEMENT - CONTRACT NO. 29400**

GENERAL TERMS ENGINE LEASE AGREEMENT

See attached

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**FIRST AMENDMENT TO
AIRCRAFT ENGINE LEASE AGREEMENT**

CONTRACT NO. 29400-1

THIS FIRST AMENDMENT TO AIRCRAFT ENGINE LEASE AGREEMENT (the "Amendment") is made as of February 24, 2012, by and between **AAR PARTS TRADING, INC.** ("Lessor") and **EVERGREEN INTERNATIONAL AIRLINES, INC.** ("Lessee").

WHEREAS, Lessor and Lessee are parties to an Aircraft Engine Lease Agreement dated as of May 3, 2011, (the "Lease") with respect to one (1) General Electric model CF6-50E2 engine having serial number 517839 (the "Engine"); and

WHEREAS, Lessor and Lessee wish to amend the terms of the Lease.

NOW, THEREFORE, the parties hereto agree to amend the Lease as follows:

1. Capitalized terms used herein and not defined shall have the same meaning as in the Lease.
2. Notwithstanding anything to the contrary in Section A. in Exhibit AA to the Lease, the Daily Rent and the Use Fee shall be as follows for the period on and after January 15, 2012:

Daily Rent:	None
Use Fee:	\$220.00 per hour

3. Except as provided above, the Lease remains unchanged.

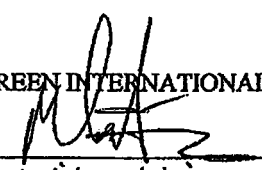
IN WITNESS WHEREOF, the parties have executed and delivered this First Amendment to Aircraft Engine Lease Agreement as of the date first written above.

AAR PARTS TRADING, INC.

By 
Name:
Title:

JAMES N. VINCENT
VICE PRESIDENT

EVERGREEN INTERNATIONAL AIRLINES, INC.

By 
Name: Mike Hines
Title: SVP

